

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re	:	<b>Chapter 11</b>
FAIRWAY GROUP HOLDINGS CORP., <i>et al.</i> ,	:	<b>Case No. 20-10161 (JLG)</b>
Debtors. <sup>1</sup>	:	<b>(Jointly Administered)</b>
	:	<b>(ECF No. 200 &amp; 408)</b>

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**ORDER APPROVING DEBTORS' (I) KEY EMPLOYEE INCENTIVE PROGRAM AND (II) KEY EMPLOYEE RETENTION PROGRAM**

Upon the motion dated February 20, 2020, as modified by that certain *Notice of Modification to Key Employee Retention Program Relating to the Motion of Debtors for Entry of an Order Approving Debtors' (I) Key Employee Incentive Program and (II) Key Employee Retention Program* (ECF No. 408) (together, the "**Motion**"),<sup>2</sup> of Fairway Group Holdings Corp. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "**Debtors**"), pursuant to sections 363 and 503 of title 11 of the United States Code (the "**Bankruptcy Code**"), for entry of an order approving and authorizing the Employee Programs, all as more fully set forth in the Motion; and the Court having jurisdiction to consider

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Fairway Group Holdings Corp. (2788); Fairway Group Acquisition Company (2860); Fairway Bakery LLC (4129); Fairway Broadway LLC (8591); Fairway Chelsea LLC (0288); Fairway Construction Group, LLC (2741); Fairway Douglaston LLC (2650); Fairway East 86th Street LLC (3822); Fairway eCommerce LLC (3081); Fairway Georgetowne LLC (9609); Fairway Greenwich Street LLC (6422); Fairway Group Central Services LLC (7843); Fairway Group Plainview LLC (8643); Fairway Hudson Yards LLC (9331); Fairway Kips Bay LLC (0791); FN Store LLC (9240); Fairway Paramus LLC (3338); Fairway Pelham LLC (3119); Fairway Pelham Wines & Spirits LLC (3141); Fairway Red Hook LLC (8813); Fairway Stamford LLC (0738); Fairway Stamford Wines & Spirits LLC (3021); Fairway Staten Island LLC (1732); Fairway Uptown LLC (8719); Fairway Westbury LLC (6240); and Fairway Woodland Park LLC (9544). The location of the Debtors' corporate headquarters is 2284 12th Avenue, New York, New York 10027. Fairway Community Foundation Inc., a charitable organization, owned by Fairway Group Holdings Corp., is not a debtor in these proceedings.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing on the Motion to consider the relief requested in the Motion **on April 14, 2020** (the “**Hearing**”); and upon the record of the Hearing, **which is incorporated herein [JLG]**; and the Court having determined that the legal and factual bases set forth in the Motion and the Nowlan Declaration establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted as set forth herein.
2. Any remaining objections to the Motion are overruled.
3. Pursuant to sections 503(c) and 363(b) of the Bankruptcy Code, the Employee Programs are approved.
4. Notwithstanding anything to the contrary in the Motion and this Order, the KEIP Incentive Award shall only be payable out of proceeds otherwise distributable to the Senior First Out Term Lenders. In no event shall the Senior First Out Lenders be entitled to a claim

(whether unsecured, secured, administrative, priority or otherwise) against the Debtors or the Debtors' estates on account of any KEIP Incentive Award.

5. The Debtors are authorized, but not directed, to take any and all action necessary or appropriate to implement the Employee Programs and to perform any and all obligations contemplated thereby, including making the payments contemplated thereunder.

6. Notwithstanding anything to the contrary contained herein, any payments made or to be made by the Debtors under this Order, and any authorization contained in this Order, shall be in compliance with, and shall be subject to, the DIP Orders approving the Debtors' debtor-in-possession financing facility and/or use of cash collateral, and the documentation in respect of any such debtor-in-possession financing facility, including, without limitation, the Budget under, and as defined in, the DIP Orders.

7. The Debtors are authorized to take all steps reasonable and necessary to effectuate the relief granted in this Order.

8. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: April 17, 2020  
New York, New York

/s/ *James L. Garrity, Jr.*

THE HONORABLE JAMES L. GARRITY, JR.  
UNITED STATES BANKRUPTCY JUDGE